

Message Text

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ACTION NEA-10

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC PRIORITY 3987

C O N F I D E N T I A L SECTION 1 OF 2 TEHRAN 7083

E.O. 11652: GDS

TAGS: PGOV IR

SUBJ: NEW IRANIAN GOVT: REFURBISHING THE OLD IMAGE

REF: (A) TEHRAN 6991, (B) TEHRAN 7043

SUMMARY: AFTER SEVERAL WEEKS OF WHAT PASSES FOR POLITICAL ACTIVITY IN TEHRAN, AND IN THE WAKE OF A CONSTANT STREAM OF RUMORS CONCERNING POTENTIAL CHANGES ON THE POLITICAL SCENE, THE NEW CABINET ANNOUNCED BY THE SHAH ON AUG 7 COMES AS SOMETHING OF AN ANTI-CLIMAX. THERE HAD BEEN A CONSIDERABLE AIR OF EXPECTANCY IN MANY QUARTERS, GIVING RISE TO UNSUBSTANTIATED AND, IN MANY CASES, UNREALISTIC HOPES THAT THE SHAH WOULD BE WILLING TO BE RESPONSIBLE TO VARIOUS POPULAR GRUMBLINGS BY MAKING SOME UNSPECIFIED BUT SIGNIFICANT CHANGES IN THE POLITICAL SYSTEM. IN THE EVENT, ALTHOUGH THE SHAH'S PUBLIC STATEMENTS SUGGEST THAT HE WOULD LIKE TO GIVE THE IMPRESSION THAT HIS CHANGES ARE MORE SWEEPING, THE SHAH HAS PREDICTABLY SETTLED FOR A RATHER LIMITED CHANGING OF THE GUARD, RETAINING MUCH OF HIS TRADITIONAL SYSTEM OF "CREATIVE TENSION" AMONG HIS APPOINTEES, BUT GENERALLY ENHANCING THE VIGOR AND BRAINPOWER OF THE CABINET LEADERSHIP. END SUMMARY.

1. CABINET CHANGES IN THE LAST DECADE OR SO UNDER THE SHAH HAVE NOT BEEN NOTABLY MOMENTOUS EVENTS SINCE THE
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SHAH SETS POLICY IN ITS BROADEST OUTLINE AND MANY OF ITS DETAILS. EVEN WITH IRAN'S FIRST CHANGE OF PRIMINS IN 13 YEARS, ITS DOMESTIC AND INTERNATIONAL POLICIES ARE UNLIKELY TO CHANGE. THE SHAH'S CONSULTATIONS AND INSTRUCTIONS ARE CARRIED ALONG SEVERAL PARALLEL HIERARCHIES IN THE IRANIAN BUREAUCRACY, OF WHICH THE GOVT HEADED BY THE PRIMIN IS ONLY ONE. WITHIN THESE PARAMETERS,

HOWEVER, THE STYLE AND TONE OF GOVERNMENTAL ACTIVITIES--AT LEAST DOMESTICALLY--WILL ASSUME THE COLORATION OF A NEW PRIMIN WHO IS EXTREMELY HARD-DRIVING, DEMANDING AND EVEN MORE INTELLIGENT THAN HIS PREDECESSOR.

2. AS NOTED REFTTEL A, A CONVERGENCE OF VARIOUS FACTORS APPEARS TO HAVE LED THE SHAH TO CONCLUDE THAT CHANGES IN THE CABINET WERE NEEDED. CATALYST WAS PROBABLY THE LINGERING ILLNESS OF MINISTER OF COURT ASSADOLLAH ALAM (HE IS REPORTED TO HAVE LEUKEMIA) AND HIS INABILITY TO CARRY FULL BURDEN OF THAT OFFICE, CREATING THE NEED TO FIND A REPLACEMENT. HOVEYDA, WHO WE ARE TOLD WAS TIRING IN HIS 13TH YEAR AS PRIMIN, AND WHO, AMONG MANY RELATIVELY CLOSE TO THE SHAH, IS PROBABLY BEST SUITED TEMPERAMENTALLY TO THE DUTIES OF MINISTER OF COURTS, SEEMED THE NATURAL REPLACEMENT. ONCE THE SHAH DECIDED TO MAKE THIS CHANGE, OTHER CHANGES AND THE TIMING SEEMED TO FALL INTO PLACE. DOMESTICALLY THERE WAS GROWING CRITICISM OF THE GOVTS PERFORMANCE ON INFLATION, ITS INABILITY TO PROVIDE ADEQUATE HOUSING, RECURRING POWER SHORTAGES, AND GENERAL DISAFFECTION WITH THE OVERALL STATE OF AFFAIRS. THERE WAS ALSO A FEELING THAT THE PRIMIN AND SOME OF HIS CABINET COLLEAGUES HAD BECOME STALE, AND IT WAS TIME TO BRING NEW BLOOD INTO GOVT. CHANGES THAT HAVE TAKEN PLACE DEMONSTRATED ONCE AGAIN THE SHAH'S SKILL IN BALANCING COMPETING PERSONALITIES AND MAINTAINING

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CONSTRUCTIVE TENSION AMONG THEM. HE SEIZED THE OCCASION NOT ONLY TO REFURBISH THE GOVTS PUBLIC IMAGE BUT TO SIGNAL SOME SHIFT OF EMPHASIS IN ECONOMIC POLICY (SEPTTEL DISCUSSES LATTER POINT IN MORE DETAIL).

3. OVERALL, THENEW CABINET APPEARS SOMEWHAT STRONGER AND MORE DYNAMIC THAT THE LST. IT REMAINS TO BE SEEN WHETHER AMOUZEGAR CAN MOBILIZE AND DIRECT THE ENERGIES OF HIS TEAM WITH THE SUCCESS ENJOYED BY HIS WILY AND MORE CONCILIATORY PREDECESSOR. IN PARTICULAR, IT WILL BE INTERESTING TO SEE HOW LONG A CLASH CAN BE AVOIDED OVER FINANCE AND ECONOMIC POLICY WITH HUSHANG ANSARY (WHO HAS PRIMINISTERIAL ASPIRATIONS OF HIS OWN). WHILE AMOUZEGAR HAD BEEN GIVEN RELATIVELY FREE HAND IN CHOOSING CABINET COLLEAGUES, ANSARY WAS THE SHAH'S CHOICE TO CONTINUE IN THE KEY POSITION OF FINANCE AND ECONOMIC AFFAIRS. MOROVER, THE SHAH HAS INDICATED HE IS TRANSFERRING THE ADDITIONAL RESPONSIBILITY FOR THE BUDGET TO ANSARY'S MINISTRY. ALTHOUGH BOTH MEN ARE INTELLIGENT AND SELF-CONTROLLED AND CAN BE EXPECTED TO REMAIN CONSCIOUS OF THE NEED FOR COOPERATION, THIS CLEARLY PUTS ANSARY IN THE CAT BIRD'S SEAT AS FAR AS NON-MILITARY EXPENDITURES ARE CONCERNED.

4. IN ADDITION TO AMOUZEGAR AND ANSARY, AMONG 13 MINISTERIAL HOLDOVERS FROM THE PREVIOUS CABINET ARE SUCH PERENNIALS AS KHALATBARY (FORN AFFS), PAHLBOD (CU AFFS), AZIMI (WAR), KIANPOUR (JUSTICE), AND MOINI (BACK TO LABOR AFTER HIS BRIEF STINT AT INTERIOR). SEVERAL MORE RECENTLY APPOINTED MINISTERS HAVE ALSO BEEN CARRIED OVER INTO THE NEW CABINET, NOTABLY AFKHAMI (WOMEN'S AFFS) AND GANJI (WHOSE EDUCATION PORTFOLIO HAS GROWN TO INCLUDE THE FORMER MINISTRY OF SCIENCE AND HIGHER EDUCATION).

5. MANY OF THE NEWCOMERS TO THE CABINET ARE OF SIMILAR MOLD TO THOSE THEY REPLACED, INTELLIGENT, HARD WORKING, BUT BASICALLY TECHNOCRATS. INCLUDED ALSO ARE TWO MEN OF CONFIDENTIAL

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CONSIDERABLE BUSINESS EXPERIENCE, MOHAMMAD REZA AMIN (INDUSTRIES & MINES) AND KAZEM KHOSROWSHAHI (COMMERCE),

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C O N F I D E N T I A L SECTION 2 OF 2 TEHRAN 7083

SOME OF THE NEWCOMERS ARE YOUNGER AND RELATIVELY UNKNOWN NATIONALLY. SEVERAL MINISTERS AND ASSISTANTS TO THE PRIME MINISTER HAVE STRONG PERSONAL LOYALTY TO AMOUZEGAR, NOTABLY HOMAYOUN (INFORMATION), KASHEFI (MINISTER OF STATE), AGAH (MINISTER OF STATE), AND FARSHCHI (LIKE HOMAYOUN, RECENTLY FROM THE RASTAKHIZ PARTY). AMOUZEGAR'S OLD MINISTRY OF INTERIOR GOES TO ASSADOLLAH NASR-ISFAHANI, THE ENERGETIC GOVERNOR GENERAL OF FARS (SHIRAZ) PROVINCE.

6. ONE OF THE SURPRISES OF THE CABINET CHANGE IS THE APPARENT RETREAT FROM PUBLIC LIFE OF MAJIDI, FORMER HEAD OF THE PLANS AND BUDGET ORGANIZATION. SOME INKLINGS AS TO THE REASON MIGHT BE DRAWN FROM A PASSAGE OF OUTSPOKEN CRITICISM OF THE PLAN AND BUDGET ORGANIZATION IN THE SHAH'S SPEECH ANNOUNCING THE NEW GOVT (SEE SEPTTEL). WE ARE TOLD THAT THE SHAH'S IRE STEMS FROM MAJIDI'S INABILITY OR UNWILLINGNESS TO MOVE SOME PROJECTS IN WHICH THE SHAH WAS ESPECIALLY INTERESTED. IT REMAINS TO BE SEEN WHETHER MAJIDI WILL CONTINUE TO FLAP THE RASTAKHIZ PARTY "WINGS" IN

VIEW OF PROBABLE CHANGES AT THE TOP OF THE PARTY LEADERSHIP ACCOMPANYING THE ELECTION OF ANEW CHAIRMAN-- MOHAMADBAHERI, AND OLD WAR HORSE SUPPORTER OF ALAM'S WHO HAS BEEN DEPUTY COURT MINISTER FOR THE PAST 11 YEARS. MAENWHILE, AN EMASCULATED PLAN ORGANIZATION (MINUS THE BUDGET) WILL BE PRESIDED OVER BY THE

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ABLE BUT RATHER COLORLESS MOHAMMAD YEGANEH, FORMER GOVERNOR OF THE CENTRAL BANK, MINISTER OF STATE WITHOUT PORTFOLIO IN THE LAST GOVT, AND AMOUZEGAR'S LIEUTENANT FOR OPEC AND EAST-WEST QUESTIONS.

7. STATISTICALLY, THE NEW GOVT CONTINUES A HIGH PERCENTAGE OF AMERICAMN PLQLPID MEMBERS (10 OF THE 23 MINISTERS, INCLUDING AMOUZEGAR, OR 11 OF THE 28 MINISTERS AND PRIME MINISTERIAL ASSISTANTS). MS AFKHAMI, AT 37, REMAINS THE YOUNGEST MINISTER BUT IS CLOSELY FOLLOWED BY TRANSPORTATION MINISTER SALEHI (39) AND HOUSING AND URBAN DEVELOPMENT MINISTER TOWFIQ (43). TWO MINISTERS ARE IN THEIR 60'S 10 (INCLUDING THE PRIMIN) ARE IN THEIR 50'S, AND 11 IN THEIR 40'S AND 30'S. THESE STATISTICS ARE NOT GREATLY DISSIMILAR TO THE PREVIOUS CABINET'S.

8. AS FAR AS THE RASTAKHIZ PARTY IS CONCERNED, EMB WILL BE SUBMITTING SEPARATE CABLE GIVING ANALYSIS OF ITS SYAYUS AFTER THE CHANGES. BEFORE BAHERI WAS NAMED AS THE NEW SECY GEN, IT WAS THOUGHT ATHT THE SHAH INTENDED TO DEMONSTRATE THAT THE GOLDEN LADDER TO THE TOP IS VIA THAT POSITION. BAHERI IS A MOST UNLIKELY PRIMIN CANDIDATE, HOWEVER, AND HIS TENUE AS SECY GEN MAY PROVE TO BE BRIEF. INDEED THERE IS SPECULATION THAT AFTER A SUITABLE PERIOD OF PENANCE MAJIDI WILL RESURFACE AS THE HEAD OF THE RASTAKHIZ PARTY. IN THE MEANTIME HE CAN OCCUPY HIMSELF AS DIRECTOR OF THE EMPRESS'S NEW MUSEUM, A POSITION FROM WHICH HE WAS NOT RELIEVED AND FOR WHICH ONE OBSERVER REMARKED HE NOW HAS PLENTY OF TIME.

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